September 10, 2004 MDA #117 VOLUME 29 No. 36 PUB. Weekly

## Market Analysis - September 07, 2004

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Corn had another disappointing week with trade up only 2 cents after we managed to achieve a 15-cent gain. Support started early last week with fund buying and fears of frost but technical selling on Friday brought things down to earth again. Weekly export sales last week were just ok – coming in at 92 thousand tons of old crop and 492 thousand tons of new. This week we saw a continued slide in corn prices due to spillover pressure from soybeans and the latest round of favorable weather forecasts. On Wednesday we saw some consolidation - probably due to the upcoming Friday USDA Supply and Demand report. Estimates for corn are between 10.77 billion bushels and 11.04 billion bushels, which would put the average yield at 148.3 bushels per acre. Soybeans also had a terribly disappointing week again last week for the bulls with the market giving back all the gains toward the end. From a fundamental standpoint, the rally last week was attributed to fear and the frost premium and decent fund buying rather than anything to do with crop damage. Basis levels also continued to slip last week as harvest continues to pick up the pace in the south. The remnants of Hurricane Frances has moved east which means the south is pretty much safe from harm which will dampen prices and probably basis levels further. On Wednesday soybeans closed mixed after spending most of the day in the doldrums and this market, like corn, is consolidating before Friday's report. Production estimates range from 2.94 billion bushels to 2.85 billion bushels. This would put average yield at 39.15 bushels per acre. Wheat had a good week last week, but like the corn and bean counterparts - gave a lot back on Friday. Seasonally September is a decent month for wheat, stemming from exports mainly. The large price decline that occurred over the summer seems to have come to an end (from a technical analysis standpoint). Wheat had heavy selling early this week, much more than the other grains. On Tuesday however, the Australian government lowered its production projection to 22.25 million tons from 23.25 million tons in June, and the export inspection numbers here in the U.S. were stronger than expected. The result was that on Wednesday funds started to short cover giving wheat some bullish support.

## WEEKLY CROP WEATHER SUMMARY

¹ \$/ton

## MARYLAND AGRICULTURAL STATISTICS SERVICE

Farmers were busy last week harvesting corn for grain and silage, hay before the rain sets in this week. There were 6.1 days suitable for field work for the week ending September 5, 2004. Corn for grain harvest has begun with 6 percent harvested. Corn for silage increased 6 percent from last week to 43 percent harvested, well above last year and the five-year average. Soybeans are turning color and beginning to drop their Farmers were able to make progress on other and alfalfa hay harvest. The third cutting of alfalfa is nearing completion with 90 percent harvested and the fourth cutting is 30 percent complete. Other hay third cutting is at 70 percent complete.

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	8/31	09/07	8/31	09/07	8/31	09/07	8/31	09/07
Western Md	2.87	2.77	6.24	5.84	3.00	2.98	2.02	2.00
Central MD	2.45	2.38	6.10	5.81	3.10	3.11	2.15	2.15
Southern MD	2.28	2.17	6.32	5.89	2.60	2.87	1.70	
Upper E. Shore	2.43	2.34	6.37	6.08	2.91	2.92	1.80	1.80
Lower E. Shore	2.48	2.37	6.37	5.94	2.97	2.95	1.76	1.76
Soybean Meal		er Eastern S	hore	Dealer's Average Cash quotes (\$/ton)				

9/07 8/31 9/07 Date 48% Soybean Meal Date
44% Soybean Meal 201 00

FORWARD CONTRACT	PRICE-REG	IONAL (\$/	BU) for Har	vest delivery	Dealer's Avg	Quotes		
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barlev	
Date	8/31	09/07	8/31	09/07	8/31	09/07	8/31	09/07
Western Md								
Central MD	2.35	2.38	5.90	5.81	3.25	3.19		
Southern MD	2.28	2.17	6.02	5.59	3.10	3.03	1.65	1.65
Upper E Shore	2.43	2.34	6.02	5.73	3.14	3.09	1.65	1.65
Lower E Shore	2.48	2.37	6.11	5.68	3.15	3.10	1.64	1.65

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Sep 07, 2004								
Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>		
Sep	219.25	Sep	588.00	Sep	305.75	Sep	173.40	
Dec	226.50	Nov	583.50	Dec	317.25	Oct	167.80	
Mr05	234.50	Ja05	591.00	Mr05	327.75	Dec	168.70	
May	240.75	Mar	597.25	May	329.50	Ja05	170.40	
Jul	245.75	May	601.75	Jul	332.50	Mar	174.20	
Sep	249.00	Jul	608.00			May	177.50	

HAY AND STRAW	0 06 2004 100	7.7. 1				
New Holland, PA - \$/ton			T: 4h	Ouch		Chroni
<b>Alfalfa Mixed</b> 70.00-190.00 45.00-205.00					rdgrass 160.00	<b>Straw</b> 60.00-185.00
Westminister, MD - \$/ba			02.00-180.00	30.00-	100.00	00.00-183.00
	Alfalfa Mix	Timothy	Timothy Mix	Grass Mix	Clover	Straw
1.50-3.10	1.20-3.30	1.00-3.50	1.50-2.50	1.00-3.00	.1.00-1.50	1.10-2.90
POULTRY (Grade A) -						
		<u>ıt Week</u>	Week Ago	·	<u>nth Ago</u>	Year Ago
NY Wtd Avg. (Fryers)		.22	65.67		69.96	57.48
12 City Composite		0.14	72.37		75.56	64.18
LAMBS - Westminster,			<b>5</b> 0	G1		
40-60 lbs 110.00-115 70- 80 lbs 105.00-116				Sheep Ewes & Bucks	100-300 lb	s 51.00-67.
FERMINAL MARKETS					stminster, MD - A	
Base Price Range (\$/cwt)		Sows (1-3)		Hogs (heavy)	276-286 lb	
a.m.	Base 185 lb Hog	300-449 lbs	Butther	riogs (new y)	205-215 lb	
	-		Sows	(all weights)		37.25-43.25
lowa, Minn	61.50-72.10	35.00-46.41				
Eastern Cornbelt	61.50-70.27	35.00-49.38	Millsboro, DE M	1 Aarket Hogs - (\$/c	cwt) - Next Sale	Sep 21, 2004
FEEDER PIGS - (\$/cwt)	-					
Gumboro, DE -			New Holland	l, PA - Sep 08, 20	004	
Head: Trend:			Head: 341	Trend: All sl		
Next Sale	Sep 21, 2004					
	<u> </u>					
SATTLE-LIVE FIGUR	RES-Chicago Merca	ntile Exchange	HQGS-LEA	ŊŦĿŢIJRES-Ch	icago Mercantile	Exchange
<u> </u>			` ´ -	·		
Oct 82.37 Dec 85.90	Apr Jun	84.67 81.52	Oct Dec	65.12 63.27	Apr May	60.85 62.05
Fb05 86.57	Aug	81.32	Fb05	62.32	Jun	64.45
STOCKER-FEEDER C	ATTLE - (\$/cwt)					
Winchester, VA - Sep 06			Westminster, I	MD - Sep 07, 200	4	
Steers	300-400 lbs	117.00-134.50	Steers	1 /	400-500 lbs	79.00-105.00
Section	400-500 lbs	122.00-139.50	Steers		700-900 lbs	57.50- 69.00
	500-600 lbs	113.00-122.00				
	600-700 lbs	105.00-114.00	Heifers (M&L	)	200-300 lbs	93.00-109.00
	700-800 lbs	96.00-102.00			400-500 lbs	90.00-103.00
Heifers	300-400 lbs	119.00-127.00			700-800 lbs	68.00- 75.00
	400-500 lbs	110.00-123.00	HICI D	. 1. 6	00 00 11	02 00 107 50
	500-600 lbs 600-700 lbs	101.00-118.50 93.00-109.00	Hois Calves Ro	eturned to farm	80- 90 lbs 95-105 lbs	82.00-107.50 115.00-142.50
	700-800 lbs	85.00-109.00 85.00- 89.00			95-105 lbs 110-120 lbs	110.00-142.30
	800-900 lbs	81.50- 84.00	Holstein Heife	rs #1	110 120 103	370.00-495.00
		2 2 2	Swiss	.,_		54.00- 57.00
Lancaster, New Holland	& Vintage - Week	Ending - Sep 11	, 2004			
Bull, Holstein	90-120 lbs	147.00-170.00	P	lainer	90-120 lbs	121.00-160.00
Heifers, Hols	90-120 lbs	500.00-600.00	P	lainer	90-120 lbs	300.00-485.00
SLAUGHTER CATTLE						
Westminister, MD - Sep	p 07, 2004		_			
Fed Steers			Fed Heife	ers	Few Offered	
H-Ch & Pr-H		79.50-82.00	Calves			
L-Ch		72.00-76.00	Slaughte	er		44.00-82.50
Select Cows		67.00-74.00				
High Dressing		50.00-55.00				
Breakers		43.00-48.75				
Boners		40.00-42.00				
Thin & Slow		35.00-Down				
Lancaster, New Holland	& Vintage - Week		1, 2004			
Steers, Ch 2-3		30-1480 lbs	77.00-80.75	\$2-\$	3 lower	
Heifers, Choice		15-1495 lbs	74.00-78.75	Light		
Cows, Breakers 75-80 pc			53.00-57.00		) higher	
Bullocks		00-1280 lbs	76.00-79.00	None		
Pulla VC 1	11	35_1005 lbc	61 00 68 50	Most	ly steady	

For more information about this report, call 410-841-5740 or write:

1135-1905 lbs

61.00-68.50

MARYLAND DEPARTMENT OF AGRICULTURE AGRICULTURAL STATISTICS SERVICE 50 Harry S Truman Parkway Annapolis, MD 21401

Bulls, YG 1

Robert L. Ehrlich, Jr. Governor
Michael S. Steele Lt. Governor
Lewis R. Riley Secretary of Agriculture
John R. Brooks, DVM Deputy Secretary

Mostly steady